

**ORGANIZATION OF MISO STATES, INC.  
REGULAR BOARD OF DIRECTORS MEETING  
CONFERENCE CALL  
OCTOBER 9, 2003**

**APPROVED: NOV. 13, 2003**

Commissioner Susan Wefald, President of OMS, called the Board of Directors meeting of the Organization of MISO States, Inc. (OMS) to order at approximately 2:05.

The following directors were present by conference call for the meeting:

Susan Wefald, North Dakota  
Steve Gaw, Missouri  
David Hadley, Indiana  
Greg Jergeson, Montana  
Robert Garvin, Wisconsin

Kevin Wright, Illinois  
Laura Chappelle, Michigan  
LeRoy Koppendrayner, Minnesota  
Gary Hanson, South Dakota

Proxies for the following directors were established:

Tim Texel, Nebraska for Louis Lamberty  
Thomas Maher, Pennsylvania for Terence Fitzpatrick  
Kim Wissman, Ohio for Judy Jones

The directors and their proxies listed above established the necessary quorum for the meeting of at least eight directors being present.

Other parties also participated in the conference call.

**Agenda Item 1, Approval of the Minutes of the August 21, 2003 and September 11, 2003 Board of Directors Meetings**

It was moved that the minutes of the August 21, 2003 Special Board of Directors meeting be approved as distributed. The motion was approved.

A revised version of the minutes of the September 11, 2003 Board of Directors meeting had been distributed prior to the meeting, reflecting suggested changes by Wisconsin to the minutes as previously distributed. There was a consensus that the changes suggested by Wisconsin were appropriate. It was moved that the minutes of the September 11, 2003 Board of Directors meeting be approved as amended. The motion was approved.

**Agenda Item 2, Summary of Actions Taken at the September 30, 2003 Executive Committee Meeting**

The following actions taken at the September 30 OMS Executive Committee meeting were discussed: 1) a new OMS working group was approved to work on MISO pricing issues as they arise; 2) reimbursement procedures for travel expenses associated with OMS members attending the Financial Transmission Rights (FTR) workshops in October

and November 2003 were approved; 3) the OMS Travel Expense Reimbursement Policy was approved; and 4) a decision was made that the OMS Annual Meeting will be held in Carmel, IN on December 11, 2003.

### **Agenda Item 3, Treasurers Report**

Commissioner Laura Chappelle, Treasurer of OMS, briefly described the highlights of the written Treasurers Report that had been distributed on October 2, 2003.

Commissioner Wefald then suggested that next monthly Treasurers Report reflect OMS financial data as of September 30, 2003, as the October 2 Report did. This would initiate a practice of having each Treasurers Report reflect a month's lag in the financial information contained within it, eliminating the need to "rush" to reflect month-ending numbers in a report issued shortly after the end of each the month. There was no objection to this suggestion.

### **Agenda Item 4, Discussion of Proposed MISO Staged Market Plan**

Mr. Jim Torgeson, President of the Midwest Independent System Operator, Inc. (MISO) was invited to provide a brief explanation of MISO's recent decisions to implement the energy markets within MISO in a "staged" fashion. Mr. Torgeson made the following main points in his presentation: 1) Reliability is MISO's highest priority; 2) MISO intends to hire a third-party "readiness advisor" to assist MISO in monitoring its performance metrics for market implementation; and 3) MISO now expects implementation of the energy markets to occur in the fall of 2004.

OMS Board members next took the opportunity to ask Mr. Torgeson questions concerning the staged market plan, and to express a variety of opinions on different aspects of this decision. Among the questions discussed was whether MISO should cease all work on market implementation until reliability concerns were addressed, and whether MISO should immediately withdraw its current filed market tariff with the Federal Energy Regulatory Commission (FERC), withdraw the tariff after receiving guidance from FERC concerning the tariff in an order expected in the latter part of October 2003, or not withdraw the tariff at all.

Given the differing viewpoints on these questions, and to allow further study and discussion of this important topic, it was decided that the staged MISO tariff plan will be discussed at a Special OMS Board of Directors meeting to be held on October 14, 2003 at 11:00 central time. As a starting point, the Board members were asked to review a proposed four-part resolution drafted by a MISO industrial customer group for consideration at a MISO Advisory Committee (MAC) meeting on October 15, 2003. The purpose of this review was to determine whether that draft resolution, in original or in amended form, could fairly represent the position of OMS at the MAC meeting. The draft resolution will be distributed shortly after this Board of Directors meeting concludes.

### **Agenda Item 5, Draft OMS Budget for 2004**

Commissioner Wefald informed the Board that the 2004 OMS Budget is required to be submitted to MISO by November 1, 2003. Commissioner Chappelle then answered some questions from Board members concerning the draft budget, which had been distributed

prior to the Board meeting. After this discussion, it was moved that the OMS submit the proposed 2004 OMS Budget to MISO. The motion was approved.

Commissioner Wefald adjourned the meeting at approximately 3:25.

Respectfully submitted by Steve Gaw, OMS Secretary